

Mayor Lugar

MAYOR'S TASK FORCE ON IMPROVED GOVERNMENTAL STRUCTURE
FOR
INDIANAPOLIS AND MARION COUNTY

Minutes of Meeting
November 27, 1968

OPENING:

Mayor Lugar opened the meeting and asked Mr. Reich to present a brief resume of the Greater Indianapolis Progress Committee and its functions.

REMARKS BY MR. REICH:

The Greater Indianapolis Progress Committee was organized to help determine the problems that exist in the city and to bring together all agencies working on each specific problem. Many committees have been set up to consider common problems. Now with Indianapolis and Marion County so large, it is time to take a new look at the organization structure of the government in particular areas so that it will not be necessary to contact so many different places on each problem. The realignment of government is one of the most important areas the Greater Indianapolis Progress Committee can consider and Mayor Lugar has appointed this group to work on this problem.

REMARKS BY MAYOR LUGAR:

I will outline the problem as I see it and introduce the co-chairmen of the task force. The city of Jacksonville, Florida, and the surrounding county adopted a metropolitan form of government as a result of serious trouble in 1966. (Read the preamble of Government in Crisis published by the city of Jacksonville.)

Specific problems of our local government:

1. There is a feeling that some persons will be penalized economically and the position of others will be enhanced. Tax rates are widely different and any tampering will aid some and hurt others. The civil city tax inside Indianapolis has been reduced about 8¢ in the last year.
2. The second problem that will be coming to the fore is regarding personalities. It is hoped that all office holders who are involved in duplication of offices will be included in the organization change.
3. There will be a fear on the part of many that things have moved too fast and without adequate preparation. The answer to this argument is that work in this area has been done for years by the Chamber of Commerce, students at the university level and others, and several attorneys have been working searching the Burns' statutes for all legislation on government structure which affects Indianapolis and Marion County. This group of lawyers have not made policy decisions but have produced 43 working papers on which Bob Davies will report.
4. Another aspect that is bound to come to the fore is the responsiveness of all of this to the people as determined at the ballot box. The charge will be made that this is in fact a way of establishing a constituency of Republican power in Marion County.

Ultimately the responsibility boils down to this: The type of thing we are doing now is academic as the opportunity for any sort of reconciliation between the core area and those around them is gone. This is one of the great sadnesses of America today. No reconciliation is going to occur to alter circumstances. The work we are doing may fail, but not because we did not give it a try. Indianapolis is not like other major cities because we have an opportunity to rearrange our governmental structure now. The Chamber of Commerce reports that Indianapolis is fourth in the nation in rate of growth. This is extremely important to us and a real advantage.

I am hopeful that we will come up with a form of government through legislation which will have a central form of government with a single executive. The three areas which would not be included are Speedway, Beech Grove and Lawrence. Neither would the schools be included. I would hope that there would be a common council representing all areas except the three mentioned and a clearly cut form of departments and boards.

I am not suggesting that our present system is completely unworkable. We can live with it if we do nothing at all. We are, in a way, already doing some of the things which we are suggesting should be done by law. The Eagle Creek project is an example of the need for cooperation. Some established boards are already metropolitan in scope, with some reporting to the City Council, some to the County Council, and some to neither. Ultimately the outcome will depend on the good will of the task force and the Marion County delegation. The task force will come up with a bill or bills for the delegation to consider and, hopefully, they will work out details and carry them through. I believe we have the support of those around the state as well as those in the local area and this is a fortuitous time. We are also hopeful of a working relationship with the governor who is aware of our need.

Now will introduce Mr. Hasbrook and Mr. SerVaas who are working as co-chairmen.

REMARKS BY MR. HASBROOK:

I just want to say "Amen" to Mayor Lugar's words. In regard to the timing, the climate for unified government in Marion County is the best it has been since I have been in government, particularly if the schools and perhaps the small communities are left out. A survey of the members of the Chamber of Commerce listed it as second most important in their minds with only taxes ahead of it. The economic climate is good, with building and construction inside the city growing faster than outside. This is truly a fortuitous time. When the City-County building was conceived, it was hoped that it would work out that jobs would be combined, but it has not happened. There are 50-60 taxing units for rule making and law making. For example, the sheriff's office is supported by taxes of all cities in Marion County but enforces the law in areas outside the city. A similar problem exists in the Indianapolis fire department with companies outside the city contracting at cost for service as needed and pay only when used. This creates an inequity as the taxpayers inside the city support it regardless of use.

The Metropolitan Park Department is subject to review but the Flood Board and Aviation Authority are not. City Departments like Air Pollution and Civil Defense are supported by the city but have functions outside the city. The Sanitation Department has separate tax authority and the Mass Transportation Authority has some authority on streets and roads but the county has responsibility for side roads. Citizens are faced by problems of where to go to get authorization for building a home, where to look for services and so forth. It is even hard for a city council member to decide what is inside responsibility and what is not. We think many of these kinds of problems would be eliminated by more efficient organization of our local government.

Certainly none of you were invited here to rubber stamp this program. The Mayor has already mentioned that some very able lawyers have been working long and hard researching the laws and trying to put the problem together to see what we have to deal with. I would say that rather than being a group that has been brought in to OK something that has already been conceived that you are a group brought in to take a multiple choice test as to which was the best plan for our city, which way we should go, how we can resolve our problems. We are certainly appreciative that all of you have taken your time and shown your interest in coming to this meeting and we hope that you will assist us with your time and interest and talents and will make a program that will be for the betterment of the business climate for all the residents of our community. We have a job in hand, first to come up with an acceptable program that we in this group feel will do the job and one that we can present to the legislature and they, hopefully, will agree is the best plan for our community, and finally, one that will appeal to all of the citizens who are interested in a Greater Indianapolis. So, I wish to add my thanks and welcome to those of the Mayor and turn you over to my eloquent co-chairman from the County Council, Mr. SerVaas.

REMARKS BY MR. SERVAAS:

Thank you, Tom, Dick. I want to second the remarks of both Tom and Dick to thank all of you who have come here this afternoon. I have met many of you before at meetings like this when I have been sitting next to you around long tables with knotty subjects before us and wondering when we can get on to the meat of it. I am certain that whatever you had to cancel to make this meeting was important, so I am going to attempt to be brief, and yet I would like to set the stage for a meaningful discussion and I thought I might outline briefly what we hope to accomplish. The legislature is upon us. We all realize the immensity of the legal problems involved in our project. For that reason we began early with a group of attorneys from seven firms, representing a great diversity of specialities, to study all the laws that would have to be considered. I do not mean to say that these men are acting only as scribes; these men are involved in government and in the business community and they have many ideas of their own. I am sure that they will have many suggestions to give to us and we will be guided by their research so that we will at least know what is possible and what is not. I thought that after these preliminary remarks this discussion would be informal and that we will discuss in general many plans or parts of plans, possibilities or feelings about how far we could go or should go at this time. In other words, there will be many views expressed; then I would hope that we could appoint a drafting committee to take the work of the attorneys, the remarks that have been made here this afternoon and synthesize these into a plan - not a rigid plan but one which will have many alternatives.

The second meeting which was originally reported earlier will now be scheduled for Friday, December 13 at 9:30. At 12 o'clock we will have lunch and then take up in an afternoon session. It will be at the American Fletcher National Bank board room on the second floor. At that time I hope that we can hammer out a tentative rough draft. We will eliminate many, if not most, of the alternatives so that we have a generalized plan. Then the drafting committee and the attorneys will attempt to put them into a final rough draft form and the final meeting of this committee will be on Thursday, December 19. Hopefully we can end that afternoon, but if not, we are going to keep going until we have completed a plan which not everybody may feel he can approve in every single detail, but the general plan which all of us could support, knowing full well that in the fires of the legislature there will be other changes as our legislators will have to give and take. Our own legislative delegation will have ideas and they will be hearing from others. The plan that we give the legislators

will be, hopefully, our best effort. Like most of you, I still manage to spend most of my time as a private citizen running my businesses, and yet it seems that, as Dick suggested, more and more of my time is involved in what might be called government or civic activities. One of those lately has been serving on the Marion County Tax Review Board, a rather obscure thing that has not been talked about much, but as a matter of fact, is a board of seven persons who review every single budget in the county, the school budget and the independent authorities. Four of these members are appointed by the courts. There are no special qualifications -- a friend of the judge who has time to serve would be a typical qualification. There are three other members, one from the County Council, the City Controller and someone appointed by the School Board. This group of people, not responsive at all to the citizenry in general, reviews and makes a final determination on how much money is going to be spent, and generally, where it is going to be spent. In the past, my review of the records show that this committee met for one week, that is five days, about four hours a day, and during that time all of the approximately 100 budgets are reviewed in one week. There was barely enough time to hear the totals. No questions were asked, no legislative review. After it was all heard they sat around for a few hours and decided they might cut a little here and cut a little there, which they did, then they folded up shop and that was the end of it. Then anybody who might get cut, generally appealed to the State Tax Board and automatically all the cuts were restored. I never heard of one which was not restored. Nobody from the review board ever appears at the appeals. Nobody. Well, we tried a little experiment. We took the seven people and divided them into sub-committees. One sub-committee heard all the county budgets and one the city. Another heard all the township and trustees, another heard the schools and another heard the municipal corporations. We spent two weeks listening to those budgets. And we instituted something called "legislative review." In other words we always started out with "Is this activity still necessary?" which was something which nobody had ever asked before. At the end of that time we had a meeting and the subcommittees then made substantial cuts and I mean into several millions of dollars. Then we advised the agencies, and when they appealed, as they all did last year, the sub-committees met with them, and the State did not make it very easy for us as they had all the meetings jumbled up and the hearings going on at the same time, but the net result was that we met and told the State why we made the cuts, and with the exception of welfare, which wiggled out because nobody knew when that meeting was held, all cuts were sustained. Now I think that we need a better system than this because this is an ad hoc system that was just devised on the spur of the moment.

I would like to mention only a few areas of government where we have a complete deadlock at this time, not a deadlock that is intentional, but a deadlock preventing us from making any progress in very important cost areas in government service areas. Many municipal corporations have retirement programs for their employees. The city does not have any, the county does not have any, and yet every time a new need for metropolitan government arises, we set up a new city corporation or a new all-county government or fragment of government such as the Mass Transportation Authority and give them the authority to set up a pension plan, which they do. The legislature permits these authorities to set salaries for their executives much higher than we pay in county or city government. Can you imagine the legislature giving the chief executive of the MTA \$25,000 when all other department heads in the county government are \$18,000? So the question of employee relationship, including the retirement benefits - the county has no plans, the city has no plans. Recently Tom and I got the Councils together and we voted on a joint amendment that we would employ someone to attempt to work out a unified plan for city and county employees for retirement. What about salary classification? You could not run your business without some sort of salary classification. We have none. Every fragment of city and county government has its own. The county has its own; the city has its own. The two councils

agreed to set up just basic salary classifications in the lower eschelons, clerical and secretarial and data processing. Elementary.

Regarding zoning: The county council often hears zoning cases where there is no dissent. Occasionally there is a case where there are dissenters and those are the kind we should look into, but the whole process of zoning needs to be reorganized. It is no simple thing any more to say, "Well, we think that is good land use." I remember one time when we had to decide between three gigantic shopping centers on 38th Street. They all came in at the same time, three of them. Now that was an economic matter of first importance. So zoning is a tremendous economic matter which transcends good land use. It should be handled by people well equipped to judge that. I have some other details for later, but that is another area which desperately needs reorganizing.

Other areas needing investigation are the Health and Hospital Corporation, Drainage Board, University Quarter and Juvenile Court.

What alternatives do we have?

1. County wide government with County Commissioners.
2. County or City Manager
3. Mayor System
 - a. Weak mayor system, as at present
 - b. Strong mayor who is a good general manager

With the strong mayor should be a representative legislative body, a council or house of delegates, not so large that it is unmanageable, but large enough to be representative and elected from districts with some elected at large so that generally the party that elects the mayor will win the council but that there will be a strong and loyal opposition. The mayor should make the key appointments but with the approval of the council. There should be an auditor who would make sure the executive spends the money well. He should report to the council and should be separate from the budget making power of the government, which is the mayors. The council should be made up of citizens and not have a salary high enough that people will run for office merely for a job and perpetuate themselves in office year after year for patronage and salary. The desire is to attract professional people and business men who will take the time, but who will act as citizens and provide the caliber and diversity of opinion that will be truly representative. Lower review bodies and administrative boards should take care of ordinances, but the legislative board should have authority to call for review or reversal. There should be the right of petition by citizens. This type of council is a watchdog, made up of citizens, broadly based, to approve the key appointments made by the mayor but giving the mayor the chance to run the city, yet be responsible and answering to the electorate.

Lastly, a new trend is being pressed, with some success, into identifying areas of our community. Broad Ripple, Irvington, Glendale, Mapleton, Butler-Tarkington and other areas. I think that a plank to permit the community the right to petition, to act together and to work with the administrative body in projects in their area is a trend to be encouraged.

DISCUSSION:

Mr. Brennan: Taking up the question of the variety of retirement programs and the competition for employees, I think it is the right of civil employees to have

the same general benefit programs as private industry employees. What is the relationship in your mind and the rest of the men in government of the merit system versus patronage system. I think that has to be in the discussion if we are going to plan.

Mayor Lugar: I can only speak for myself. We are having real problems of employment in local government, at least as far as the city government is concerned. Presently we have hundreds of positions unfilled. Partially this is by design. I felt that many did not need to be filled, but it has gone too far. We have vacancies now from which there is going to be substantial lack of service, as in the street department. As a practical matter, we are in the position that most businesses are, trying to find personnel without regard to political affiliations. But this evades in part your question. The fact is that we have attempted to find political affiliation of persons in government. We have enlisted ward chairmen and precinct committeemen and we have given every Republican who wanted work an opportunity. Some have not done very well and have been discharged. This has finally led to a bipartisan government, essentially, for which I receive some criticism from my party and maybe from the other, too. Ultimately, I suppose, in the best of all worlds we would work toward an American form of government. Maybe this is something that ought to be pertinent to the government we are talking about now. All I am describing is the very real trials of getting anybody to work for government, given the salaries and benefits that are inherent. Essentially we are getting those who are very young or very old. Part of this may be germane to your question, as without the security of a professional career in government and without the salary and compensation which is competitive, it is not attractive. On the other hand, in the discussion with other mayors who had about 75% of their employees frozen when they arrived in office, they indicated they would have fired about two-thirds if they had the opportunity and that any initiative that they had hoped to bring about in police and community relations and in volatile subjects like zoning, mass transportation, etc., were dead the moment they entered the door of the Mayor's office. We would hope that there would be considerable flexibility given to the executive and administrative heads, or maybe a compromise can be reached somewhat along the Federal level. I understand President-elect Nixon is now looking at about 2200 jobs of high level to be filled. These will be the key people in his administration. Maybe these persons can be isolated in administration of local government, too, and it then becomes a matter of practice to fill these in terms of the winning political party and others have a career employment.

Mr. Whistler: Could I make a comment as president of the Plan Commission? We probably have more Democrats than we have Republicans working for the Commission. There were no political firings and at the professional and management level there is no problem of getting people. Maybe there were a couple of ward chairmen who were upset because there were not. It is awfully important to have people who are directors of departments and managerial level employees who are responsive to the program that any administration is trying to implement. To give merit system employment at that level is, in fact, unnecessary in terms of what is really happening to this administration and would be undesirable. There is another point in connection with this matter of department to department; in fact, we have independent agencies to take a specific example, Redevelopment Commission has planners and the Plan Commission has planners. One would think they would be paid the same salary, but they are not, in fact. So the matter of multiple agency government results in job competition. One department within the city bidding for employees of another department strikes me as an utterly abominable situation. On the fundamental point, it is a combination of things, right now over-employment in a sense. The matter of the merit system is really not particularly germane in the realities of government as they exist in my experience in the administration.

Mr. Stewart: I am concerned in this about the legislative council, that our total community could find representation there. I am a member of a group that has 125,000 population in Indianapolis and I feel that this should come out in the end that black could elect own without going to Keith Bulen or the other chief. Why exclude the school board? Would have saved money with the school board located here in the City-County building. The "establishment" and Chamber of Commerce have approved these things to meet a need and we should use the knowledge to control taxes.

Mayor Lugar: We are open to considering all suggestions.

Mr. Dortch: In 1959 I entered in, by official action as chairman of the school commission, a committee that represented broad interest groups in the community, schools and educational systems, etc. That group struggled vitally, after considerable research, with the mandate of the legislature which directed the 92 school reorganization commissions to come up with reorganization of schools in each county that would provide a satisfactory system of education to all and have an equitable means of financing them. This started out with representation of the Metropolitan School districts of Marion County, city and county school superintendents and lay representation. We went through this process of study, and in view of the mandate of the General Assembly, concluded unanimously, despite the diverse points of view, that the only sensible arrangement that we could make would be a county unit school system in Marion County. Having officially announced that, all hell broke loose. And I am convinced that there is no other subject on which you can get an emotional approach greater than the matter of schools. Understand, too, that there has been a fierce pride generated, particularly in the township areas toward the regeneration of interest in schools. If we are to do anything in this broad subject of numicipal reform, good government, civil government, we have to keep the school system out of it at this point. We can drop every consideration of the matter of trash collection, smoke abatement, fire and police protection, and have the full force of opposition centered on that particular thing. I think that only by taking schools by itself will we come to some revision of the school system. I would plead with you; I would be willing to show you my scars, if you really mean business on this subject that you separate these problems.

Now, being on my feet, I want to add one other thing. The three presentations are representative of very thoughtful students of government and I'd like to think that John Walls and I have been down this path and have talked about it several times. I think that all of us in the room love our community and feel this deep in our hearts or we would not be here and I can only add to what has been said. There will be differences of opinion and there will be some rather rigorous and difficult legal questions that will surround whatever concept might be developed. I would only add to the points that have already been made. In terms of the long range good of the community we have a wonderful economic, and I believe social, undergirding for a tremendous community for the future. We also have a time upon ourselves to do something meaningful and dramatic for the long haul. We have come a long way and touched upon various aspects of truly county wide government and have struggled through this with the various problems.

The League of Women Voters sometime ago put out a pamphlet called "Who Is In Charge Here?" The same applies here. Who is in charge? Who is the boss? This is fundamental and I think we are going to have to come to grips now with all the stratification and fractionalization of local government. We will have details on which there are important differences of opinion, but I want to urge that if there are those of you who agree with the point that schools ought to be brought into the package, that we debate early and get that one out of our system because otherwise we will bog down, in my judgment, in the kind of debate that would be fruitless.

Mr. Hasbrook: Carl has pretty well covered it. I think that the reason we are not willing to tackle schools is perhaps that we are cowards. I concur highly with Carl that this problem is one that perhaps rivals what we are trying to do. If we bring it into this we are never going to lick the civil one. I suggest that we get over this hurdle and then go to the next one.

On the other point of representation, I think that all of us are leaning somewhat in the same direction, that there should be some proportional representation by area or district and some at large to have an overview.

Mr. Blickman: First, let me introduce myself. I am here as a liaison between the Metropolitan Assembly of School Boards and this group. Ben Thompson, who is currently the president of the Metropolitan Assembly of School Boards, is also here. There is in fact a very effective Metropolitan degree of cooperation among the school systems for the first time in the history of this area. It is a relatively new effort and is made up of every member of every school board in Marion County. It meets regularly during the school year and has already accomplished some things that are truly history making. I would not want the school matter to be tossed aside here as merely political expediency. The reason that the school discussion, in my opinion does not belong in this discussion is that the problems involved in schools are quite different than the problems of strict business management which is basically what you folks are talking about. You are talking about a general manager and about a business organization. When you talk about schools, you are talking about human beings and children in a far deeper sense. So, I do not want you all to go home and tell your wives and husbands when they ask about schools that you dropped it because it was a hot potato. We do not think of it that way. If you do not agree with my remarks I am available to discuss it with you.

Mr. SerVaas: Mr. Blickman, I would like to say that we concur. We have dropped it because it is a hot potato, but for the good reasons that you stated. I would like to have you take these questions to your group. I think that they need to be answered. When the taxpayer is very irate about the high property tax, he comes to me and to Tom. We have among the highest property taxes in the country and he, in his mind, blames civil government - he does not blame the schools because he feels that the money that goes for schools is put in for heart and mind reasons. He blames civil government for high taxes even though 65% of the tax dollar goes to schools. The question is, do you think that in order for the citizen to know where the tax dollar is being spent we should have two tax certificates, two tax bills? We do not have to have two processes for handing them out; we can still mail them out here, but one would go to support civil government and the citizens could know exactly what civil government is costing in Marion County. The other tax bill could go out so the citizen would know what the school is costing.

The other thing I want to ask is if you prefer some version of the present tax review board continued or if you prefer an administrative board, yet to be designated to review your school budget?

Mr. Blickman: I would like to respond to one thing which I failed to mention. Our presence here is not defensive. The one goal that we have is to establish the kind of liaison you are going to need. Actually the schools are your best opportunity to get your story across to the citizens through the school organization, PTA, etc.

Mr. SerVaas: We certainly do welcome you and will be very sensitive to your recommendations in this area.

Mayor Lugar: I would like to make a comment in regard to Mr. Stewart's question. The Jacksonville mayor made this point in Washington. (As you know, Indianapolis was recognized for law enforcement and Jacksonville was recognized for unified government by the National Chamber of Commerce this last month.) He mentioned that a prior city and county government in Jacksonville, which has a black population of 20%, had not a single black councilman on either city or county council. In the unified form of government, of the 19, four or five are black. This comes essentially because of the redistricting. This meant, in that society and in the turbulence of Jacksonville at that time, it met a part of the question that you are raising. It is a valid question. In your paper Andrew Ramsey took me to task about a week ago in this very context. I had a chance to visit with him on Sunday night and try to reassure him on this point. It is an acute point in the political community. The whole business of representation and the racial context is something which we should not overlook in our discussion here.

Mr. Echols: May I intrude this? Have you thought of the number of councilmen, some to be elected by districts and some at large?

Mr. Hasbrook: We have had figures ranging from 15 to 50. No one is locked in anywhere.

Mr. Echols: You do not want it to be unwieldy, yet you want it to be representative.

Mr. SerVaas: The Jacksonville Plan originally envisioned a much larger group of councilmen which they subsequently reduced. After they adopted the plan, one of the first amendments was to reduce the number they first contemplated. My original feeling was that perhaps the county should be divided into 10 districts with one councilman elected from each district and five at large. Now you can say there should be less or there should be more, but I think more should be elected from districts and fewer at large. The ones at large would probably give the council to the same party that elected the Mayor.

Mayor Lugar: The committee headed by Mr. Rubin came up with the idea of 30. Maybe George would like to speak on that point of his deliberations and on other things, too.

Mr. Rubin: The only thing I was going to mention is that the committee did come up with some figures. We were projecting districts whereby one councilman would represent 25,000 population. Could you tell me how the population of Jacksonville compared with Indianapolis?

Mayor Lugar: I presume we should get copies of this book for everybody. They have gone through a rather rigorous analysis, such as we have, of the districts the people live in. Essentially they came up with a representative for every 30,000. It is a smaller community, which is why they came up with 19. They have a rather elaborate scheme of districting, which they found very important, and which most bodies have found does not happen automatically. They tried to use census tracts because these seemed to be the only valid figures, so some of the districts have characteristics of corners of census tracts.

Mr. Rubin: Because our committee has come up with a figure of 30 does not mean we are locked in, either. They were to be from single member districts, but here again, we are not locked in. I have no apprehension of running people at large.

Mayor Lugar: Correct me. Jacksonville originally had 21 districts and these would be an average of 24,600 persons. The 21 districts became 14 or 15 with the others elected at large.

Mr. Campbell: This is honestly a disclosure of my naivete, and may anticipate what the attorneys have to say, but looking at some of the areas of deadlock that you describe, how many of these are tied into constitutional reform as opposed to legislative act, in other words a direct solution?

Mr. SerVaas: I'll give you a glancing answer and then I'll turn to the attorneys to give you a legal view. From the administrative view, there are two or three basic questions, such as "What will be the duties of the sheriff?" One suggestion might be to let him take care of the jail; we might also let him take care of the equipment. He might take care of the rolling stock of law enforcement, property, equipment and prisoners and let the Chief of Police take care of the law enforcement. We would retain the sheriff so would not have to make any constitutional change.

The Commissioners, if they are constitutional officers, might be retained but given new functions in the sense that the budgets that normally went to their departments would be put someplace else. This is not any constitutional problem; it could be overcome by budgetary procedure. As far as the main thrust that I have given you, such as the personnel problems that we have and jurisdictional problems that we are facing, these by and large are not constitutional and in my opinion could be corrected by legislation.

There is one other aspect of it and that is the agencies which have been established as separate Municipal corporations and have issued bonds. We get into a constitutional problem regarding the creation of these agencies in the first place, but I think the lawyers would concur that there is a considerable degree of re-arranging of responsibilities and very broad areas of change that can be made to eliminate these deadlocks and duplication simply by legislative act, without getting involved in the constitution.

Mr. Dortch: The most serious thing that could happen would be the necessity of going through the process of determining the constitutionality if you substantially rearrange some of your taxing district concepts.

Mr. Whistler: Yes, I think that we might all anticipate that major change in the governmental organization will result in some constitutional tests.

Mr. Vandivere: Have you given any consideration of any boards or commissions that are responsible for properties that would be disposed of, say city properties or old automobiles, that it should go back into the fund that it came out of, rather than going into the general fund? This is the problem of the Board of Works; if we sell any city property the general fund gets it and there is no way to replenish it.

Mayor Lugar: I am not certain anybody has, but we probably ought to. The problem is a well known one and for those of you who have not faced it, Wendell gives a good example here. If the board is very efficient and goes about its work in an excellent way, it completely eliminates the possibility of going any further as it simply deprives its budget of all revenues it collects from sales. This is a built in reason for inefficiency; in not doing anything you try to keep all the assets you can. Obviously this is something that is manageable through legislation.

Mr. McConnell: I am interested in knowing more about the Jacksonville situation. Obviously they went through some growing pains and tested this thing. I know you can not go through the whole thing and maybe everybody else is better informed about it than I am.

Mayor Lugar: Essentially they appointed a large committee such as this one. It studied and came up with a report in the course of a couple of years about the efficiencies of having a unified government. They had some problems; namely, Jacksonville Beach, Neptune Beach, and another beach, which felt that they did not want to be a part of all of this. They also had some problems of the whole districting question, which is why revisions and amendments were made there. They were having problems with the schools in Jacksonville. Their deliberations took place during the time that NEA issued sanctions against all the schools of Florida. There was a great crisis in the terms of teachers, bonds, salaries, etc., in which they became embroiled and, I think tried to disentangle themselves, but the schools and the libraries still have a place in the Jacksonville program which we might not want to have in our own. They had a problem in the term of some specific office holders in Jacksonville who were able to garner sufficient public support to retain their positions. Their system is not a pure one in terms of being by the books. An office holder might still be sitting there, stripped of his power but still on the payroll. Compromises were made of this variety politically. Finally, they had the problem of the referendum of the entire affair in which they scaled the thing in such a way that you could vote to be a part of it, you could vote for other people to be a part of it, and some people voted for other people to be a part of it but voted not to be a part of it themselves. These were political compromises which they thought they had to make. In order to enhance this the newspapers published a little book and all the papers in Jacksonville apparently published mandatory editorials almost daily, seemingly for months to get the proper frame of mind for all of this. Ultimately, I think two things were reaction issues: 1. Terrible scandals had afflicted the body politic and everyone was in a mood for reform. 2. The other was economic. Jacksonville as a city was dying and everybody seemed to have come to a recognition of this at the same time. Racially, the entire place was in total chaos and there seemed no possibility of getting it back together again. Economically their growth had not only tapered off, it was a disaster area. The people in the county around Jacksonville who were making their living in Jacksonville recognized that they were in some jeopardy, that their businesses and their communication media, banks, etc. had just about had it if there was not some propping up of the whole affair. So they gave their weight to it and the county outside Jacksonville, apparently, from a political standpoint was a very strong force. Then they brought in the gentleman who is mayor now. He was a very reputable judge, a big handsome fellow. This was a critical point. He was elected mayor and was unopposed when they went to their unified form of government so served as a unifying force. He tried to appoint what he thought were a blue ribbon group of commissioners and one of them was shot down immediately by the councilmen so they had a constitutional test right away. There is some track record, at least, as to how they are getting along and it does serve as perhaps the best model of this although some of us have looked at Nashville. The Miami thing is apparently chaotic and I do not think merits further study on our part.

Mr. Dortch: May I elaborate on one point which I think is somewhat significant in the Jacksonville situation. We always talk of unification or the extension of civil government authority and power and functions in the terms of people and space. Indianapolis and Marion County, in a rough way, are talking about 500,000 people inside the city and another 250,000 outside; in terms of space, this has some relevancy since in some parts of the county there is still some wide open space.

We still have some farm land. The city limits of Indianapolis are 85 square miles; the county is 250 square miles. Jacksonville city population is 198,000 within the city and 327,000 outside, so the total population is about that of the city of Indianapolis but the square miles is just double Marion County so their concept of city type functions and service extends over 800 square miles. In terms of the extension of immediate growth, when they talk about Jacksonville as the "boom city of the south" they really mean business. I think they are getting themselves in the position for a challenge to Atlanta.

Mr. Hardy: I would be concerned about three things. Certainly I agree with Mr. Stewart that representation is very important but one of the things I think is equally important is city services or county services or metropolitan service to the people within the area we are discussing. It has been my experience and also Wendell Vandiver's experience that when we look at city service in Indianapolis or county services, some people have a problem of being serviced. I use one example here of the people who came to the Board of Works with a problem they had for 8 long years - they could not get a street. They were Negro and the area had changed drastically from all white to all black and they did not get a street under any administration, whether Democrat or Republican. I would be opposed to this type of program, regardless of what kind of representation we had if a certain segment of the people could not get services that were really due them. I think we must keep this in mind as we split into committees. Whatever we come up with I think the Mayor and the people who are really involved must be prepared to sell the program to the total community in Marion County. This is where we really have a problem. A number of people in our black community are certainly going to be against it if they are not going to be represented. We have about six or seven areas in Indianapolis and Marion County that are strategically or 100% black. This means that if you are going to talk about 25,000 or more we ought to have 7 or 8 representatives. This is very important but even more important is what actually happens in the real nitty-gritty. I could care less in one respect as to who represents us if we can not really sell the people on what the services are going to be. I think this is really the real problem; how much money am I going to pay and how about the tax base? I think what is going to happen to the parks, what about the highway system and so forth are the grim issues of the less advantaged communities regardless of whether they are black, green or gold. We are going to have to come to grips with this when we start looking at what the overall program is going to be and then determine what the representation is going to be.

Mrs. Zimmer: I am sorry that I really do not understand about the 2% debt limitation that is in the constitution because it would seem clear to anybody who is not aware that if the constitution says that no municipality under its jurisdiction can have the bonded indebtedness over 2% and if these special districts are to come under the jurisdiction of the single central legislative body, then they are going to be unconstitutional. Would somebody explain this, please?

Mr. Davies: The constitution says that "no municipal government can have a bond limit over 2%." Here we have Marion County, the city of Indianapolis, other cities, each with a bond limit of 2%. What has occurred is that the legislature has created municipal governments like the Health and Hospital Corporation which also has a 2% limit, as much bonding as Marion County as a whole. So does the Airport Authority. Instead of attacking the real problem of debt limit, people have found it easier to create more of these corporations.

Sanitation is a separate taxing district. This started many years ago when people felt that if there was an improvement needed in roads, you could get together with your friends and neighbors and agree to have that improvement and to taxed on it.

This was not thought to be a part of government; it was just a group of people who wanted their own improvements so they came up with the idea that this was a special taxing district and it was a method by which everyone could agree on their own improvements. It has grown now to the point that a special taxing district is not limited because it is not a municipal corporation; therefore there is no bonding limit except one created by the legislature. In Marion County there are several special taxing districts, the Park Department, for instance. You have a good deal of flexibility with the kinds of units that you can create and still get around the bonding limit. Some of them because they have already issued bonds, have a problem regarding reincorporating them back into an agency.

Mr. SerVaas: Mr. Davies, the question is how are we going to get around the fact that we now have the device of this multiplicity of corporations to finance our capital improvements and how will we get around it if we have one entity?

Mrs. Zimmer: He has defined the problem but does not answer it.

Mr. Davies: By operating departments with special taxes. If you would have a unified government and bring in what is now the MTA, which is a separate municipal corporation, as a part of that government, and like the Park Department you make a separate special taxing district with whatever bonding limit the legislature has set. You can do this as long as you stay within those things that are approved as special taxing districts. There are general benefits and special benefits and the court has been very liberal in the interpretation.

Mr. Echols: Are you saying that these different commissions, boards, etc., can be brought into one entity or responsive to one management or overall council and still retain their special taxing authority?

Mr. SerVaas: I am a little lost and will ask the attorneys to handle that. If ever there was a legal question I think that this is it.

Mr. Davies: I would say that the answer is "yes" and the alternative is to face up to the hard one of constitutional amendment if you do not like it that way.

Mr. SerVaas: I think it is a question of how much we can accomplish in this legislature. The more simple we can have it, is this way, and immediately. Admittedly, we are having to retain certain monetary procedures for raising money within the structure, but at least it would be an integrated and planned way of raising money. It would be like having a multi-planned corporation, each one with its own budget and with its own source of revenue, but nevertheless coordinated at the top. I think that could be managed. It is complex, but not particularly complicated.

Mr. Hasbrook: More importantly, your executive would have some overall authority and your legislative body would have some review of budgets. Not only could you sit on individual budgets but could put them in some kind of perspective as you would in operating any other business and not let one get way out of line with the others.

Mr. Browning: Dick, we all go back on our own experience and I am for this as I helped with one of these fifteen years ago in the third largest city in New England. There the Massachusetts legislature controlled the government of every city. Suddenly they came up and said to every city "You can vote. Pick A,B,C,D, or E as a form of government." We formed a study committee like this and worked on it and came up with "Plan E" which was a one council, elected mayor and a city manager. Tremendous powers of administration were delegated to the mayor as the chief executive under

this proposal, which no one in their right mind could certainly be against.

Is it the understanding that there would be a general manager under the mayor, or might there be, as in Mass. the city manager? The city manager there is still the same man that I helped pick fifteen years ago. The mayor is still fought out and is usually a business man with plenty of ability and there is enough work for both but they do have this unifying city manager who can be fired at any time by the city council, but who does know the nitty-gritty of all the things dealing with the streets, sanitation and all the million and one other things which are pretty hard for one mayor in four years to know.

Mayor Lugar: It is a good point and it seems to me that this is one of the basic debates that we ought to have. My own preference, and I think I have stated it, was to have a mayor and council without the intervening manager. I would personally feel that we are trying to do the same type of thing with John Walls' position.

Mr. Reich: If we bring this into the program it will hurt the program because the mayors of other cities would consider this to be a hot potato and this would rule out success in other problem areas.

Mr. Dortch: We have been working on this through the years and I have the scars to show how this gets in trouble in the county council. It is not accepted in political thrust in Indiana. Cincinnati is the largest city in the country with a city manager and is successful. I would debate this aspect of city government but do not think we should try to get this through now.

Mr. Echols: Whatever we expect to get done must be through the legislature and we can not do it alone.

Mr. Brennan: How long did it take to get the Jacksonville program under way?

Mayor Lugar: A year of experience and two or three years of study.

Mr. Brennan: I am concerned about the element of time, which is crucial. If we are to succeed we must operate as a group and have complete faith in each other. As a citizen, I want to commend you and Tom and Beurt for being this forthright, energetic and stimulating in getting this started. I do not know what you mean about appointment of a drafting committee but when you have a group this large it is too hard to get anything done. Ones with expertise should draft a position paper and then let us argue the position paper. I have confidence that your experts can draft that paper and I certainly would like to move that as far as this group is concerned we take that position and move along to a position paper and then come back and see with what of it we can agree.

Mr. SerVaas: I just recently completed a tour on a committee similar to this. There were 29 members on Branigan's Commission on post high school education. It was the charge of this commission to draft a 20 year plan for post high school education in Indiana, including all colleges and medical schools. The Governor was a year in selecting the members; we had the first meeting in February and three public hearings. The plan that you suggested worked well in this. We had a group of experts in each phase, key men that came in and made a presentation, prepared a position paper. There was a discussion such as we are having now, then the specialists who had presented their views did a position paper. Again we spent an all day session, then it was narrowed down and prepared for a final draft, again an all day session and

from that now, the final one is being prepared. It has worked out and I think we should follow the same procedure if that meets with your approval. At the next meeting we would read the position paper and see if we can reach a consensus, the majority of us, on each point and pass on to the next.

Mr. Vandivere: Would it be possible to receive a copy prior to the meeting?

Mr. SerVaas: I would hope that the purely legal part of this could be explained by the attorneys so that the ways and means of accomplishing this, which would be voluminous, could be left to the technicians. The substance, I think, would not be beyond our grasp and time limits at the meeting because the things that we are all interested in can be identified and put on one piece of paper as far as the title is concerned. I think that we could discuss that. I do not know if it would be possible to get this out; we have a very small amount of time to get this prepared and distributed before our next meeting but we will try. It was not possible to do so with this other commission, but on the other hand everybody came in with no preconceived thoughts and it was a very genuine discussion and on some very controversial issues. We did reach a consensus.

Mr. Hasbrook: I think that one of the thoughts we had was that much of this material would have to be adopted by reference that will indicate that this activity ought to be here. We certainly are not going to restate the entire law regarding the MTA or the zoning board or any specific department. Each one of those would be a sizable chapter in itself. I think that was our plan for operating initially. Hopefully, if we can come up with a package that will go to the legislature it could delegate back to us areas in which things could be moved around as it developed that they were not working right. As you know now the legislature gives only specific powers to the city and withholds all others. Hopefully, we might be able to sell the concept of withholding powers that they specifically state and give back the rest of them. Perhaps this could be worked out in the bill.

Mr. Reich: I think what we are all going to have to do is keep our look at the big picture and not be worried about the nitty-gritty and little details because these legislatures have gone on for a good many years and it seems like every law is amended sometime or other. It is not going to be perfect no matter who writes it. It is going to have to have many changes. We are going to have to just look at the main target if we want this kind of efficient operation of government.

A point was brought up about taxes; well, the purpose of this is to cut taxes and make operation more efficient. Between now and then the people who know we are on this and who are opposed to this will say "This is politics" and I think we must keep uppermost in our minds whether this is politics or not. Maybe it is. "Is it good government?" This is one time when you have to be above politics. You have to talk to the main point.

Mr. Echols: Let me ask a pertinent question. We have skirted around the edges of taxing authority, money matters, and so on. Is this committee and this unified form of government to concern ourselves with the tax problem? It is certainly germane to all of this budding city program.

Mr. SerVaas: I would say this. There are now 50 units which now arbitrarily set their own tax rates.

Mr. Echols: Are you saying that they can all be structured in such a way that there will be legislation so that they can finance themselves adequately?

Mr. SerVaas: If we are going to control our destiny we are going to have to have a vehicle to do it.

Mr. Echols: Will this give us the vehicle?

Mr. Dortch: I think this is another separate problem. Unfortunately, what we are doing here is talking about rearranging our municipal furniture and when it comes to a matter of new taxes or new base of taxation, this will be another piece of legislation entirely.

Mr. Echols: Should we know what the program is going to be in that field?

Mr. SerVaas: Could we make a limited answer? Aside from what the legislature may do, as far as taxes are concerned that is another problem. Subsequent to this reorganization, however, our local government will be able to assess the income and expense requirements and if there is a local option tax, if the legislature does give the responsibility of taxing to the community, then it will be incumbent on the legislature and the budget authority to come up with a balanced program.

Mr. Dortch: Another important problem is what some people wrap under the phrase "Home Rule" and others view in the terms of the whole application of the state financing policy as it applies to the local municipal government. I do not think we are going to solve it here. I think this is another serious question that we face this next session.

Mayor Lugar: Once again this is my own opinion. We will have to have revenue and I am amenable to all sorts of suggestions on how to get it but I intend to work very assiduously for money for this structure because our alternative, I think, is pretty clear. We are reshuffling property taxes around. There is no new input coming into this at all. It might come as a resolution of this committee that we favor additional sources of revenue and that we certainly have the will to use them if this authority is given to us.

Mr. Echols: We could have almost a model form of government where everybody works together and if we can not fund it, where are we?

Mayor Lugar: We are in very bad shape. This is very germane to the whole point of growth in the community.

Mr. Brennan: Beurt asked the question of the committee if the position paper approach is an acceptable approach and I for one would say "yes" and I am for the whole group saying "yes" and let us, unless someone is opposed to it, so move and get on and get the activity rolling.

Mayor Lugar: The motion is made that the Chairmen, Tom and Beurt, select a drafting committee who will propose a draft for this committee as a whole to discuss on December 13.

Mr. Phillippi: Second

MOTION CARRIED

Mr. SerVaas: I have a list here. The Mayor will be drafted and Tom and I will serve; Carl Dortch is a repository of a great deal of information as to what has been done before; Charles Whistler, an attorney and President of the Plan Commission; John Burkhart, who has served the community as President of the

Chamber of Commerce and is a very good draftsman; Bob Davies, who has drafted much legislation in the past several years having to do with municipal corporation, should work together to set up a position paper. This committee is open to any volunteers who wish to serve on the committee. Needless to say, our task is a large one and there is a great deal of work involved to get this paper ready. I would like to state again that this position paper will not be a hard bound volume. It is going to be a line of thought with reasonable alternatives for each subsequent question which will permit us to debate and select or modify as the case might be, so it will be drafted in a very tentative form. Is there anyone else who would wish to volunteer to be part of this committee?

Mr. Hardy: I think it would be best that I do, for a number of reasons. I think that one of the things that all across the country is being yelled is that when things are really happening on the ground floor we are not involved. I do not want this to happen in the city of Indianapolis.

Mr. SerVaas: Fine. Is there anyone else who would like to make a statement? Or caution the drafting committee or anything else for the good of the cause?

Mr. Vandivere: I do not often disagree with the Mayor. I do disagree with not including Speedway and Lawrence because I do not want to see another Woodruff Place. It looks to me like the climate is right and now is the time to do it all.

Mr. SerVaas: Would someone from the small towns like to say something?

Mr. Bosma: I suppose that if I would voice the views of my constituents I would say that they would never sit still for anything like this. The minute you talk about involving them in the whole of Indianapolis, you find a great deal of sentiment. As I envision it, these communities would be dead as far as growth is concerned if you take all of the county into the unified government program. Boundaries would be stabilized. Now I know the community of Beech Grove has some plans for the future and I can envision that these citizens would not be favorable.

Mr. Vandivere: That is true, but Woodruff Place had great faith in their area and look what trouble we are having now. We fight it every week in the Board of Works.

Mr. Bosma: Woodruff is a little bit different. These other communities provide their own services and are not dependent on the city of Indianapolis.

Mr. Burton: Mayor, Gentlemen: I think that being practical, including the communities of Lawrence, Speedway and Beech Grove is not in the cards at this time if you would come up with this proposal and get it through the legislature.

Number two: Somebody asked for recommendations. This idea of a city manager, I do not think would be palatable to many members of the Marion County delegation or the people of Marion County, so I recommend that we draft this proposal and eliminate that idea. The mayor, as chief executive, can get a very competent person like John Walls who has expertise in many areas to serve this purpose.

Mr. SerVaas: This is a debate that we can continue, however, I think you have stated a preliminary position. I would have to second what Charles says about the communities having self identity and providing their own services. Interest in

the community would seem the better part of valor at this time. For that reason the small towns were not included in the original thinking.

Mr. Hasbrook: Actually, two of them are not locked in. With their own corporate identity as fourth class cities it would be a tremendous job to upset them. Just from the practical side of it I think you would be inviting disaster and sink the whole ship.

Mayor Lugar: I want to thank everybody for remaining in a fairly good humor. Please try to devote December 13 to this. Members of the drafting committee will meet Sunday at 2 P.M.

Respectfully submitted

Hester L. Shultz
Administrative Secretary
Greater Indianapolis Progress Committee